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## BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

APR 19 2001

WILLIAM A. MUNDELL  
CHAIRMANJIM IRVIN  
COMMISSIONERMARC SPITZER  
COMMISSIONER

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
WINSTAR WIRELESS, INC. FOR FINANCING  
APPROVAL

DOCKET NO. T-03670A-00-0446

DECISION NO. 63559ORDEROpen Meeting  
April 17 and 18, 2001  
Phoenix, Arizona**BY THE COMMISSION:**

On June 27, 2000, Winstar Wireless, Inc. ("Winstar") filed an application with the Arizona Corporation Commission ("Commission") requesting approval, *nunc pro tunc*, of incurring debt obligations. Winstar seeks Commission approval for a pledge of its Arizona assets as part of financing arrangements involving its parent company, Winstar Communications, Inc. ("WCI").

On December 15, 2000, Winstar filed an update to its application.

On March 19, 2001, the Commission's Utilities Division Staff ("Staff") filed a Staff Report recommending approval of the application without a hearing.

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

**FINDINGS OF FACT**

1. On June 27, 2000, Winstar filed an application with the Commission requesting approval, *nunc pro tunc*, of incurring debt obligations. Winstar seeks Commission approval for a pledge of its Arizona assets as part of financing arrangements involving its parent company, WCI. Winstar is seeking approval to pledge its Arizona assets as part of a credit facility of up to \$1.15 billion, which included a \$300 million revolving credit facility and two term loans aggregating \$850 million.

2. Winstar is a Delaware corporation authorized to do business in Arizona since 2000.

3. In Decision No. 60397 (September 26, 1997), Winstar was granted a Certificate of Convenience and Necessity to provide competitive intrastate telecommunications services in Arizona.

4. On December 15, 2000, Winstar filed an update to its application. Winstar seeks to add a third term loan to the existing credit facility in the amount of \$200 million, increasing the amount of the facility to \$1.35 billion.

5. The proceeds will be used to repay WCI loans outstanding under a previously existing facility with Lucent as well as for general corporate purposes.

6. On March 19, 2001, Staff filed a Staff Report.

7. According to the Staff Report, as of September 30, 2000, WCI held total assets of approximately \$4.5 billion. Revenues for the nine month period ending September 30, 2000 were approximately \$534 million with a net loss of approximately \$642 million.

8. Staff indicates in its Staff Report that the net losses experienced by WCI are typical of “start-up” telecommunications companies who have made large plant investments prior to acquiring customers.

9. Staff recommends approval, *nunc pro tunc*, of Winstar's application to participate in a pledge of its Arizona assets as part of financing arrangements involving its parent company, pursuant to A.R.S. §40-285. Staff is also recommending approval without a hearing.

## CONCLUSIONS OF LAW

1. Applicant is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Applicant and the subject matter of the application.

3. Approval of Winstar's application is in the public interest.

4. Staff's recommendations in Findings of Fact No. 9 are reasonable and should be adopted.

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ORDER

IT IS THEREFORE ORDERED that Winstar Wireless Inc.'s application for financing approval *nunc pro tunc*, is granted.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

  
CHAIRMAN  
COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 19<sup>th</sup> day of April, 2001.

  
BRIAN C. McNEIL  
EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_  
SG:mlj

1 SERVICE LIST FOR: WINSTAR WIRELESS, INC.

2 DOCKET NO.: T-03670A-00-0446

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